



Consumer Guide

FINANCIAL AND INSURANCE INFORMATION PROVIDED BY THE D.C. DEPARTMENT OF INSURANCE, SECURITIES AND BANKING

1050 First Street, NE, Suite 801 | Washington, DC 20002 | p 202-727-8000 | disb.dc.gov | @DCDISB

Fighting Fake Insurance

Beware of Insurance Scams

Insurance fraud has been around as long as insurance itself. Fraud is a criminal act that costs businesses billions of dollars each year—an expense then passed to consumers in higher premiums. While the elderly are the most vulnerable to fraud, anyone can fall victim to scammers.

The District of Columbia Department of Insurance, Securities and Banking (DISB) offers the following tips to protect yourself from becoming a victim.

What is insurance fraud?

Fake insurance companies or agents defraud consumers by taking money for premiums on bogus policies with no intention of paying claims. Scammers may offer policies at costs significantly lower than competitors' prices. They might be difficult to reach by phone, if there is even a listed phone number. Always find out if the seller represents a legitimate, licensed insurer before purchasing a policy. The [Department](#) can provide licensing information on a company or agent.

Some legitimate companies sell non-insurance products marketed to look like real insurance. For example, an agent working for a company selling health discount plans might call the plan insurance when it is really an unregulated, non-insurance product. If you live in the District and question whether a product is actual insurance, contact DISB.

A dishonest insurance agent might collect premiums from a customer without reporting those premiums to the company. In this instance, the consumer believes their premiums are paid but the insurance company has no record of payment and cancels or does not renew the policy. If you do not receive an insurance ID card or a

copy of your policy in a timely manner, check with the company to see if your premiums were applied to your policy.

Fraud perpetrated by consumers

Consumers also can be guilty of insurance fraud. The most common forms of policyholder fraud occur with auto insurance and workers' compensation. Deliberately staging an accident, exaggerating a legitimate claim, or knowingly providing false information on an application are all examples of insurance fraud.

What can I do to prevent being a victim of fraud?

Stop. Call. Confirm. If you are unsure about an insurance company or agent, stop before signing any paperwork or issuing payment; call the Department at 202-727-8000; and confirm that the company or agent offering insurance is legitimate and licensed to sell insurance in the state. Taking precautions won't bother honest agents and insurers.

What if I'm already a fraud victim?

If you believe you're a victim of insurance fraud or are aware of fraudulent activity, take action:

- Contact the [Department](#) to register a complaint against the insurance company. The Department has a special fraud unit that investigates insurance fraud. The unit takes referrals and investigates cases from various sources, such as law enforcement agencies, insurance companies and consumer complaints.
- File a report with our [Online Fraud Reporting System](#).
- You can also call the District of Columbia's Office of the Attorney General at 202-727-3400.

About the Department of Insurance, Securities and Banking

The mission of the District of Columbia Department of Insurance, Securities and Banking is three-fold: (1) cultivate a regulatory environment that protects consumers and attracts and retains financial services firms to the District; (2) empower and educate residents and (3) support the development and expansion of business. Visit us at disb.dc.gov.

This information is provided courtesy of the National Association of Insurance Commissioners.